

# Asset Management Notice

September 1, 2006

AM NOTICE 2006-3

TO: MANAGEMENT AGENTS OF SECTION 8 DEVELOPMENTS

FROM: ASSET MANAGEMENT

RE: CALIFORNIA HOUSING FINANCE AGENCY  
UPDATED (09/01/06) MODEL FORM OF LEASE

California Civil Code 2079.10a effective April 1, 2006 states that Section 290.46 notice is required in all leases in the state of California; therefore, an updated model lease has been implemented. **All Section 8 properties financed by CalHFA must utilize the updated Model Lease.**

Owner/Management can obtain the updated fill-in/print version model lease by visiting our website at [www.calhfa.ca.gov](http://www.calhfa.ca.gov) (click MULTIFAMILY PROGRAMS, MULTIFAMILY ASSET MANAGEMENT). All updates are in **bold print**. Please make certain that **all blanks are filled in with complete, accurate and legible information.**

## **What has changed on the Updated (09/01/06) Model Form of Lease?**

### **Paragraph 3; 4c; 5; 7a.; 30 b.; 32; and Attachment #4.**

- 3. Rent: (A portion of State Agency Lease Provisions Addendum verbiage is included)
- 4. Changes in the Resident's Share of the Rent: **4. c.** (A portion of State Agency Lease Provisions Addendum verbiage is included)
- 5. Charges for Late Payments and Returned Checks: **Maximum late fee is \$20.**
- 7. Charges of Utilities and Services: **7. a.** (A portion of State Agency Lease Provisions Addendum verbiage is now included)
- 30. Civil Code Section 2079.10(a) Required Notice: **30 b. (New California Law Requirement is included).** For further clarification, please consult your legal counsel.
- 32. Signatures: Additional signature and date lines (Line 5 and 6) have been added for additional adult household members
- Attachment #4: Eviction Procedures have been added to the title and additional signature and date lines have been added for additional adult household members

**Informational Purposes Only:**

- 31. Attachments to the Agreement: Owner/Management is required to utilize Attachments 1 thru 5 and Attachments 6, 7, and 8 (if applicable)  
**Owner/Management should not have additional addendums and/or attachments to the updated model lease other than Attachments 1 thru 8.**
- The Required State Agency Lease Provisions Addendum verbiage is included in the updated model lease; therefore, the **addendum is no longer required.**

**Submission and Approval Process for Modifying the Lease (if applicable):**

Changes to the CalHFA Model Lease for Section 8 properties financed by CalHFA may only be changed to comply with state or local laws, or to be consistent with a management practice generally used by management entities of assisted properties.

**Before implementing lease changes, all changes must be reviewed and approved by your legal counsel prior to submitting to CalHFA for approval.**

Owner/management must **submit two (2) copies of the proposed modification along with an explanation as to the necessity of the modification. All modifications must be easily identified; therefore, one (1) copy of the proposed modifications must be submitted using a *different font* and/or underlined.** Lease modifications are not valid until written approval has been obtained from CalHFA. Due to the most current law changes, owners/management must consult with their legal counsel for proper guidance.

**Providing Notice to the Resident:**

New move in residents (those that have not yet signed the CalHFA model lease prior to this notice):

- Owner/Management must execute the updated model lease at the time of move in.

Existing residents (those that have signed/dated and are currently utilizing CalHFA model lease):

- The updated model lease may only be effective at the end of the lease term. The Owner/Management must provide the resident with the updated model lease at least **60 days** prior to the end of the lease term. For further clarification, please refer to HUD Handbook 4350.3, Chapter 6, paragraph 6-12.

If you're unable to fill-in/print a hard copy of the updated lease, please contact Sue Diurni at (916) 341-6995. All other questions pertaining to this notice must be directed to Smyra Bailey (916) 327-5173.

Thank you.

Smyra Bailey  
Statewide Occupancy Auditor